



PRESS RELEASE

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Orange County Business Man Pleads Guilty to Mail Fraud and Tax Fraud in \$5 Million Investment Scheme

SANTA ANA – Michael John Bowen, 61, of Orange County, CA, pleaded guilty to one count of mail fraud and one count of tax fraud before Judge Josephine L. Staton today in an investment scheme.

According to the Plea Agreement, Michael J. Bowen, between 2003 through 2009, as President and sole Manager of Eagle Storage and Development, LLC (ES) and Eagle Development Enterprises, Inc. (ED), real estate development projects located in Lake Havasu City, Arizona and Kingman, Arizona, solicited over \$28 Million in securities, membership interests and stocks from private investors, but pocketed approximately \$5 Million.

Throughout Orange County, Michael Bowen hired unregistered sales agents to make cold calls to prospective investors to offer and sale securities, often providing sales agents with lead lists and scripts to facilitate their work. Bowen directed the unregistered sales agents to make material misrepresentations and omissions, such as a guaranteed 8% annual return, inflating the value of assets and telling investors about an imminent public offering to prospective investors to invest.

Although claiming to use investor funds to acquire real estate, build assisted living facilities and pay operating costs, Bowen misappropriated over \$5 million in investor funds to pay for his own personal expenses. Bowen spent over \$800,000 for the construction of a personal residence in Lake Havasu, \$1 million to purchase shares in Air Kauai, \$170,000 for the purchase of luxury automobiles and motorcycles, \$34,000 for trips to Costa Rica and Hawaii, \$50,500 for contributions to the Republican Party and the purchase of a yacht.

As part of the plea agreement, Bowen admitted that during 2006, he also filed a false U.S. Individual Income Tax Return Form 1040 for the tax year 2005, failing to report \$2,465,000 in taxable income.

At sentencing, scheduled for February 21, 2014, Bowen faces a total maximum sentence of 23 years imprisonment, a three year period of supervised release following imprisonment, and a fine of \$350,000. Bowen agrees that restitution is at least over \$5 Million.

The case is being investigated by special agents with IRS Criminal Investigation and the Federal Bureau of Investigation. The prosecution is being handled by Assistant U.S. Attorney Gregory W. Staples of the U.S.

Attorney's Office for the Central District of California in Santa Ana. For additional information about IRS Criminal Investigation, please visit irs.gov

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